

Message Text

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47

ACTION EUR-12

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E.O. 11652: N/A
TAGS: EMIN, EIND, ENRG,CA

SUBJECT: OFFICIAL SASKATCHEWAN PRESS RELEASE CRITICIZING U.S.
JUSTICE DEPARTMENT FOR ACTIONS REGARDING POTASH.

REF: (A) WINNIPEG'S 367 (B) STATE'S 216899 (C) OTTAWA'S 3553

1. JUST RECEIVED GOVERNMENT OF SASKATCHEWAN (EXECUTIVE COUNCIL)
OFFICIAL PRESS RELEASE DATED AUGUST 30, 1976 CRITICIZING U.S.
JUSTICE DEPARTMENT'S ACTIONS IN NAMING CANADIANS AS QUOTE CRIMINAL
CONSPIRATORS UNQUOTE IN SASKATCHEWAN POTASH CASE. SINCE IT IS
FILLED WITH MISCONCEIVED ALLEGATIONS AND PROBABLY ERRORS IN FACT,
FULL TEXT FOLLOWS:

QUOTE PREMIER ALLAN BLAKENEY SAYS THE NAMING OF CANADIAN AS
CRIMINAL CONSPIRATORS IN AN ALLEGED ATTEMPT TO SET PRICES FOR
SASKATCHEWAN POTASH IS PART OF A UNITED STATES CAMPAIGN TO CONTROL
THE PROVINCE'S POTASH.

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AT A NEWS CONFERENCE IN REGINA MONDAY, MR. BLAKENEY SAID IT IS NOW OBVIOUS THAT THE JUSTICE DEPARTMENT OF THE UNITED STATES EXPECTS POTASH COMPANIES IN SASKATCHEWAN WITH AMERICAN SHAREHOLDERS TO OBEY U.S. LAWS AND NOT SASKATCHEWAN LAWS.

HE SAID THE U.S. JUSTICE DEPARTMENT APPARENTLY BELIEVES THAT SASKATCHEWAN POTASH SHOULD BE DEVELOPED AND SOLD IN A WAY THAT CONFORMS WITH U.S. INTERESTS AND PROVIDES THE MAXIMUM BENEFIT TO THE UNITED STATES -- REGARDLESS OF THE CONSEQUENCES FOR SASKATCHEWAN AND FOR CANADA.

MR. BLAKENEY SAID THE ATTEMPT TO ASSERT U.S. CONTROL OF SASKATCHEWAN POTASH 'CONFIRMS THE WISDOM OF OUR DECISION LAST NOVEMBER WHEN WE CONCLUDED THAT THE ONLY WAY WE CAN BE SURE OF RETAINING SOVEREIGNTY OVER OUR OWN RESOURCE IS TO ACQUIRE EFFECTIVE CONTROL THROUGH OWNERSHIP.'

PREMIER BLAKENEY'S FULL STATEMENT IS AS FOLLOWS:

I AM DEEPLY DISTURBED BY UNITED STATES JUSTICE DEPARTMENT ACTIONS IN ATTEMPTING TO INTERFERE WITH SASKATCHEWAN'S SOVEREIGN RIGHT TO

RUN OUR OWN POTASH INDUSTRY IN OUR OWN WAY.

THE U.S. JUSTICE DEPARTMENT APPEARS TO HAVE EMBARKED ON A CAMPAIGN OF CHARACTER ASSASSINATION BY BRANDING AS CRIMINAL CONSPIRATORS CANADIAN CITIZENS OBEYING AND APPLYING CANADIAN LAWS.

THE TRUE PURPOSE OF THESE PROCEEDINGS IS TO FORCE COMPANIES DEVELOPING CANADIAN RESOURCES TO COMPLY WITH NOT CANADIAN BUT U.S. LAWS. THIS IS BEING DONE BY ATTEMPTING TO INTIMIDATE ANY SHAREHOLDER OF SUCH A COMPANY WHO HAPPENS TO BE A U.S. CITIZEN.

THE PURPOSE IS TO MAKE ANY CANADIAN RESOURCE DEVELOPED BY A COMPANY WITH U.S. SHAREHOLDERS SUBJECT TO U.S. LAWS RESPECTING PRODUCTION AND SALES REGARDLESS OF WHAT CANADIAN LAW MAY BE.

IT IS OBVIOUS NOW -- IF IT WERE NOT OBVIOUS BEFORE -- THAT THE JUSTICE DEPARTMENT OF THE UNITED STATES EXPECTS POTASH COMPANIES IN SASKATCHEWAN WITH AMERICAN SHAREHOLDERS TO OBEY U.S. LAWS AND NOT UNCLASSIFIED

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SASKATCHEWAN LAWS.

THE UNITED STATES JUSTICE DEPARTMENT APPARENTLY BELIEVES THAT SASKATCHEWAN POTASH SHOULD BE DEVELOPED AND SOLD IN A WAY THAT CONFORMS WITH U.S. INTERESTS AND PROVIDES THE MAXIMUM BENEFITS TO THE UNITED STATES -- REGARDLESS OF THE CONSEQUENCES FOR SASKATCHEWAN AND FOR CANADA.

THERE IS ONLY ONE POSSIBLE CONCLUSION: WHEN A COMPANY WITH U.S. SHAREHOLDERS DEVELOPS SASKATCHEWAN POTASH, SOME OF IT FOR SALE IN THE U.S., THERE IS A BELIEF IN THE UNITED STATES THAT SASKATCHEWAN SHOULD GIVE UP ITS SOVEREIGNTY TO THIS RESOURCE.

IF THERE SHOULD BE ANY RESISTANCE BY SASKATCHEWAN TO THAT POSITION, THEN IT APPEARS THAT INDIVIDUALS ARE OPEN TO THE PUBLIC SLANDERING OF THEIR NAME AND REPUTATION.

THESE EVENTS CONFIRM THE WISDOM OF OUR DECISION LAST NOVEMBER WHEN WE CONCLUDED THAT THE ONLY WAY WE CAN BE SURE OF RETAINING SOVEREIGNTY OVER OUR OWN RESOURCE IS TO ACQUIRE EFFECTIVE CONTROL THROUGH OWNERSHIP. AND THAT REMAINS THE POLICY OF THIS GOVERNMENT.

I DEPLORE THE TACTICS BEING USED IN THE CAMPAIGN TO CONTROL SASKATCHEWAN POTASH. IN PARTICULAR, I DEPLORE THE MOVE BY THE U.S. JUSTICE DEPARTMENT TO BLACKEN THE NAME OF THE LATE PREMIER ROSS THATCHER.

MR. THATCHER'S ONLY OFFENSE WAS THAT HE DID WHAT HE THOUGHT WAS BEST FOR OUR PROVINCE. HE BROKE NO SASKATCHEWAN LAWS. HE BROKE NO CANADIAN LAWS. HE EXERCISED HIS POWER AS PREMIER OF OUR PROVINCE AS HE WAS ELECTED TO DO. AND FOR THAT HIS FAMILY IS FACED WITH THE PUBLIC SLANDERING OF HIS NAME. HE IS NAMED AS A CRIMINAL CONSPIRATOR FOR DOING WHAT HE HAD EVERY LEGAL RIGHT TO DO. I THINK IT IS IMPORTANT THAT HIS NAME BE CLEARED, ALONG WITH THE NAMES OF MANY OTHERS WHO DID NOTHING MORE THAN CARRY OUT THEIR DUTY TO OUR PROVINCE AS THEY HAD THE RIGHT AND THE RESPONSIBILITY TO DO.

I HAVE TODAY SENT A WIRE TO THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, THE HONOURABLE ALLAN MACEACHEN, BRINGING THESE DEVELOPMENTS TO HIS ATTENTION AND ASKING HIM TO TAKE APPROPRIATE ACTION TO PROTECT CANADIAN INTERESTS AND THE NAMES OF INNOCENT CANADIAN
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PEOPLE.

UNQUOTE

2. THERE HAVE BEEN NO NEW MAJOR ARTICLES IN LOCAL PRESS OTHER THAN CP STORY SEPTEMBER 2 REPORTING EUR/CAN DIRECTOR'S COMMENTS. UNFORTUNATELY, KEY POINTS IN REF (B) WERE NOT REPORTED HERE, AND PRESUMABLY WERE NOT CARRIED IN SASKATCHEWAN PRESS. ALSO, POST HAS RECEIVED NO INQUIRIES FROM PRESS.

3. THEREFORE, RECOMMEND EMBASSY/DEPARTMENT CONSIDER TAKING INITIATIVE IN SOME FORUM TO SET THE RECORD STRAIGHT.
HUTSON

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